

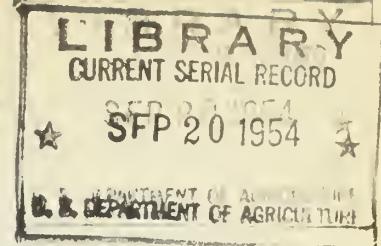
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Foreign

CROPS AND MARKETS



FOR RELEASE MONDAY, AUGUST 30, 1954

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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

L A T E N E W S

Indonesia's total exports of copra during June amounted to 21,126 long tons net weight, according to preliminary official statistics transmitted by the American Embassy, Djakarta. The breakdown by country of destination is as follows: Western Germany--3,992 tons; the Netherlands--8,659; Hungary--984; Czechoslovakia--492; Penang (Malaya)--2,335; Singapore--4,131; and Japan--492 tons. The destination of the remaining 41 tons was not specified.

Continued expansion of Turkey's textile industry is being planned to take care of the sustained high demand for fabrics. Government protection of the domestic textile industry has been provided through import restrictions, and higher tariff rates, effective June 7, 1954, are expected to boost prices of imported cotton yarn and fabrics by approximately 50 and 90 percent, respectively. Approximately 383,000 spindles and 7,000 looms were in operation in 1953-54.

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U.S. needing the information it contains.

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**DANISH SEED PRODUCTION
SEVERELY CURTAILED**

The 1954 Danish seed production was severely curtailed by unfavorable weather, according to the American Embassy, Copenhagen.

An unusually severe winter was followed by drought in April. Light rains in early May were only temporary and by early June the moisture shortage had reached the critical stage. Rains started in Mid-June and for 9 weeks were almost continuous -- the July rainfall was the highest in 20 years. During the entire spring and early summer temperatures were below normal and retarded growth as well as maturity.

The freezes during the winter severely injured ryegrass fields, winter cereals and the fodder-root crops. The drought and diseases meant further losses, while the heavy rains have seriously interfered with harvesting operations. Not only will yields be greatly reduced, but quality will also be lowered.

The July 15 estimate of condition (percentage of normal yield) for field seeds shows that the fodder-root crops suffered the most, (70 percent) while mustard and bluegrass were least affected (91 percent). The clovers and ryegrass conditions range from 84 to 90 percent of normal.

The Danish seed market has reacted very strongly because of this situation and prices on July 26 were from 10 to 65 percent above those of last December.

Of the vegetable seed crops cabbage, parsley and carrots suffered the greatest injury whereas spinach and radish came through the winter in excellent condition. But as with the field crops drought and rain have not improved crop prospects or permitted normal harvesting operations.

**BLUEGRASS SEED HARVEST
IN CANADA LARGE**

The official forecast of the 1954 Canadian Harvest of Kentucky bluegrass seed is placed by the Canadian Department of Agriculture at 1.5 million pounds. This is the largest production in several years and compares with 400 thousand pounds in 1953, and a crop failure -- 5 thousand pounds -- in 1952. The 10-year (1944-53) average was 414 thousand pounds. Production of Canada bluegrass for 1954 is forecast at 120 thousand pounds, which is practically the same as in 1953 -- 121 thousand -- but only half of the 10-year (1944-53) average of 240 thousand pounds.

**CUBAN RICE
SITUATION 1/**

The General Agreement on Tariffs and Trade (GATT) to which the United States and Cuba became parties in 1947 stipulated that Cuba would maintain a minimum quota of 3,250,000 quintals of rice (1 quintal equals 101.412 pounds) for entry at a low duty rate plus any additional amounts necessary to meet Cuban consumption of rice taking into account their domestic production.

1/ (Based on Embassy reports and information secured from responsible trade sources. By Dexter V. Rivenburgh, Foreign Rice Marketing Specialist.)

It is necessary to differentiate between the quota under GATT and such quotas as are announced by the Cuban Government. In the GATT agreement, the only reference to quotas is in connection with establishing the amount which Cuba will permit entry at a low duty rate. The GATT agreement makes no reference in any way to the total amount of rice which may be imported into Cuba. The Cuban quota, however, becomes a limiting factor in that in its operation it precludes entry of any rice into Cuba over that set up for the low-duty entry.

On December 17, 1952 the United States and Cuba agreed jointly as to a formula which would carry out the intent of the GATT agreement. Briefly this calls for Cuba to announce as of July 1 the basic quota of 3,250,000 quintals plus a supplementary low-duty quota. This supplementary quota would represent approximately two-thirds of the difference between the estimated import requirements necessary for Cuban consumption for the July-June period and the basic quota. The import requirement is computed by using Cuban stocks as of July 1 and estimates of production and consumption for the following twelve-month period. Then during March of the succeeding calendar year, the Cuban Government is to announce the remaining one-third of the deficit computed the previous July adjusted for production revisions and stock positions.

The Cuban Government has not as yet carried out the United States-Cuban agreement of 1952 as far as the announcement of a quota on July is concerned. In decree No. 1827 the basic quota was announced but on the subject of the preliminary supplemental quota the decree stated:

"The Ministry of Agriculture, taking as a basis the figures of the estimates of consumption, production and present stocks in the country and those quantities that should be imported on account of authorizations already granted, believes that it is not necessary to authorize, together with the basic quota of 3,250,000 quintals, the 66 percent of the total deficit quota for the quota year inasmuch as the estimates at hand show it is not necessary, at least at this time, to issue the supplementary deficit quota for the present quota year, 1954-55."

On July 1, 1954 the Cuban Ministries of Agriculture and Commerce also did not announce as has been the custom heretofore, (1) official data on the domestic production of rice for the past rice quota year (July 1953-June 1954) and (2) the stocks of rice on hand June 30, 1954. This data forms the basic foundation of the formula for the determination of import needs.

Information from reliable trade sources, however, indicate a production of "clean rice" for the rice quota year (July 1953 to June 1954) of approximately 2,500,000 quintals as compared to a production of 1,800,000 quintals for 1952-53. This production of 38.9 percent over that of the preceding year came from plantings of about 209,000 acres. The same sources estimate production for the current quota year (July 1954-June 1955) will be about 2,925,000 quintals of "clean rice" harvested from 249,000 acres or an increase of some 17 percent over last year.

RICE (Rough): Cuban acreage, yield per harvested acre, and production, 5-year averages for 1935-36 through 1949-50 and annual 1950-51 through 1953-54 and forecast for 1954-55 crop.

Period (July 1-June 30)	Estimated Acreage	Yield per acre	Production	Estimated equivalent milled rice 1/	Percent increase or decrease 2/	Percent increase or decrease 3/
	1,000 acres	Pounds	Million lbs.	Million lbs.		
1935-36	1939-40	45	964	43.1	-	-
1940-41	1944-45	69	1,035	71.4	-	-
1945-46	1949-50	114	1,078	122.3	-	-
1950-51		135	1,326	179.0	116.0	-
1951-52		145	1,773	257.0	167.0	43.6
1952-53		156	1,773	277.0	180.0	7.8
1953-54	3/	209	1,773	377.5	250.0	38.9
1954-55	3/	249	1,807	450.0	292.5	17.0

1/ At 65 percent milled to rough rice.

2/ Final official estimate of Ministry of Agriculture.

3/ Government estimate and substantially responsible trade sources, including BANFAIC.

RICE (Cleaneed): Estimated production in Cuba by provinces during rice quota year 1953-54.

Province	Quintals	Percent of total
Pinar del Rio	787,500	31.5
Hebana	87,500	3.5
Matanzas	75,000	3.0
Las Villas	200,000	8.0
Camaguey	525,000	21.0
Oriente	825,000	33.0
Total	2,500,000	100.0

Source: Banca de Fomento Agricola y Industrial de Cuba.

There are a number of indications that acreages planted to rice in Cuba may be about to level off or even to decline somewhat. Recurrent reports are prevalent of heavy infestations of grass in fields continuously cropped for several years where the operator has had to be saving with water. Excessive pumping from both streams and wells is causing the encroachment of salt water and the lowering of the water table. Some land has been planted to rice in the expansion that has taken place that is proving sub-marginal for economic rice culture.

The production of rice is concentrated principally in the two far eastern provinces of Oriente (825,000 quintals) and Camaguey (525,000 quintals) and the far western province of Pinar del Rio (787,500 quintals).

During the 1953/54 rice year, Cuban producers were financed by the Banco Agricola y Industrial de Cuba (BANFAIC) in the amount of \$9,600,000. The bank reports that loans in 1953/54 were made to the producers of about 66 percent of the Cuban crop as compared to 60 percent in the preceding year. Cost data indicates that on the average, the cost of production now stands at approximately \$5.36 per hundred pounds of rough rice.

Trade and unofficial government sources estimate stocks of rice in Cuba as of July 1, 1954 to be from about 1,200,000 to 1,500,000 quintals. While this is somewhat higher than the preceding year, it should be noted that in 1953 stocks were low. Taken as a whole against an annual consumption of $7\frac{1}{2}$ to 8 million quintals these current estimates do not indicate any excessive stock position.

On the basis of the above estimates, the application of the agreed formula results in an indicated need for a supplemental quota in addition to the basic. If a Cuban consumption rate of $7\frac{1}{2}$ million quintals is used, net import requirement would be about 4,750,000. If such an estimate proves to be correct, there would be required only 1 million quintals additional to the basic quota covered in Decree No. 1827. However, many well informed segments of the trade estimate consumption considerably higher than 7 million. To the extent that this is true, the net import requirement would increase proportionately.

The long range outlook is that the current rate of expansion of rice production will not be maintained and that it will eventually stabilize itself at about present levels.

Without regard to subsequent acts that may be taken by the Cuban Government in declaring further supplementary quotas for low duty entry, unofficial statistics seem to indicate a need for the authorization of at least 4,750,000 quintals.

RICE EXPORTS FROM
COMMUNIST CHINA

Japan has over the past several months purchased about 30,000 metric tons of rice from Communist China. According to reports received the quality was good and the rice has been generally acceptable to consumers. Shipments from North China sources are said to be of a type more desirable according to Japanese standards and prices were reported as \$162 C and F Japan. Rice from Central China was imported at about \$153 C and F.

So far the purchases of rice have been a part of a barter deal whereby Japan supplies ammonium sulphate. Despite the flood conditions in mainland China, rumors persist that additional Chinese rice is available for export.

VENEZUELAN DEVELOPMENT CORPORATION
ASSUMES RICE MONOPOLY

The Venezuelan Development Corporation announced on August 12 that beginning with this year's rice crop it will assume the monopoly on rice formerly held by the Banco Agricola y Pecuario. Under the new plan rice milling and storing, wholesaling and, in fact, everything connected with the handling and marketing of rice comes under control of the Development Corporations.

This change would seem to indicate that Venezuela is not approaching self-sufficiency in rice and that imports of rice are to continue at least for the present.

MEXICAN RICE
CROP LARGER

The 1954 production of rice in Mexico is now estimated at 160,000 metric tons as compared to 150,000 for last year. The increase is principally from larger acreages in Sinaloa and Michoacan. Some of these gains, however, were offset by reductions in rice plantings in Sonora which formerly was the leading rice producing area. Some of the rice acreage in that State has been replaced by cotton or wheat.

Foreign trade in rice was negligible for the first half of 1954 and it is not expected that this expected increase in production will result in any surplus for export. Average wholesale prices for rice in Mexico City are now approximately equal to those of a year ago, but slightly lower than those for the first quarter of 1954.

REDUCTION IN PERUVIAN RICE CROP

The weather in Peru during July was reported generally as having the lowest temperatures in some years. As a result, estimates of rice production show a 10 to 12 percent reduction as compared to the crop of last year. If these estimates prove correct, the Peru rice crop will only be about sufficient to meet domestic requirements, and no exports will be made.

BRAZILIAN RICE SITUATION

The Brazilian 1953-54 rice crop is now estimated at 3,100,000 metric tons according to reports received from the American Consulate at Porto Alegre. This would have been a record crop except for drought conditions in the Sao Paulo, Minas Gerais and Goias areas and the prolonged rains during June and July in Rio Grande do Sul.

There is now some speculation in trade circles as to whether there might not now be an export availability up to 120,000 metric tons in Rio Grande do Sul. On June 4 of this year the Brazilian government suspended all exports of rice for a 6 month period. The announced policy had already been followed for several months in order to make certain that domestic requirements for rice would be met.

During 1952 exports amounted to 160,000 metric tons and this drain on overall supplies of rice caused hoarding and high prices throughout 1953. In order to prevent a reoccurrence of this rise in prices, it is not likely that the Government will take any action regarding exports until about the end of the year or until such time as the domestic requirements are provided for.

CANADA FORECASTS ABOVE- AVERAGE GRAIN PRODUCTION

Preliminary official forecasts point to a somewhat above-average Canadian grain crop, though the total grain crop will be substantially below the large outturns of the past 3 years, on the basis of August 1 conditions. The Canadian release points out that realization of the forecast harvest is to a considerably greater extent than usual dependent on maintenance of favorable weather conditions throughout the latter part of the growing and harvest seasons. Though favorable weather during July did much to overcome the handicap of generally late seeding, a large part of the crop is considered highly vulnerable to frost damage.

CANADA: Grain acreage, yield per acre, and production,
1954 with comparisons

Year	Wheat	Rye	Oats ^{1/}	Barley	Mixed grains
	1,000	1,000	1,000	1,000	1,000
	acres	acres	acres	acres	acres
<u>Acreage</u>					
Average 1935-39.....	25,595	816	13,246	4,291	1,166
" 1940-44.....	22,466	911	13,614	6,461	1,487
1945.....	23,414	487	14,393	7,350	1,453
1946.....	24,453	715	12,075	6,258	1,318
1947.....	24,260	1,156	11,048	7,465	1,150
1948.....	23,881	2,103	11,200	6,495	1,542
1949.....	27,575	1,182	11,389	6,017	1,683
1950.....	27,021	1,168	11,575	6,625	1,679
1951.....	25,254	1,127	11,897	7,840	1,524
1952.....	25,995	1,257	11,062	8,477	1,570
1953 ^{2/}	25,513	1,494	9,830	8,911	1,445
1954 ^{2/}	24,267	850	10,161	7,856	1,633
<u>Yield per acre</u>	Bushels	Bushels	Bushels	Bushels	Bushels
Average 1935-39.....	12.2	11.3	25.5	20.7	33.0
" 1940-44.....	18.8	14.5	34.1	27.4	34.1
1945.....	13.6	12.1	26.5	21.5	32.3
1946.....	16.9	12.3	30.7	23.8	40.2
1947.....	14.1	11.4	25.2	18.9	30.4
1948.....	16.2	12.0	32.0	23.9	40.2
1949.....	13.5	8.5	27.9	20.0	33.2
1950.....	17.1	11.4	36.3	25.9	44.2
1951.....	21.9	15.7	41.0	31.3	44.9
1952.....	26.5	19.5	42.2	34.4	40.3
1953.....	24.1	19.3	41.4	29.4	43.0
1954 ^{2/}	21.1	19.0	37.5	28.3	39.9
<u>Production</u>	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels
Average 1935-39.....	312,399	9,191	338,071	88,882	38,507
" 1940-44.....	422,559	13,222	463,944	176,850	50,700
1945.....	318,512	5,888	381,596	157,757	46,927
1946.....	413,725	8,811	371,069	148,887	53,031
1947.....	341,758	13,217	278,670	141,372	34,929
1948.....	386,345	25,340	358,807	155,018	61,947
1949.....	371,406	10,011	317,916	120,408	55,928
1950.....	461,664	13,333	419,930	171,393	74,190
1951.....	552,657	17,647	488,191	245,218	68,509
1952.....	687,922	24,557	466,805	291,379	63,205
1953.....	613,962	28,775	406,960	262,065	62,188
1954 ^{2/}	512,984	16,188	380,683	222,416	65,142

^{1/} As reported in bushels of 34 pounds. ^{2/} Preliminary forecast

From reports of the Dominion Bureau of Statistics.

In addition to the potential frost hazard, the grain crop in the Prairie Provinces has already suffered fairly extensive losses from flooding, hail, and rust. Whereas losses from hail and flooding have been serious in some areas, they have been confined to relatively small and scattered areas, in contrast with rust damage, which is unusually widespread this year. Rust is affecting grain crops throughout much of Manitoba and Saskatchewan and parts of Alberta. Durum appears to have suffered the greatest loss from rust, but other varieties of spring wheat, ~~can~~, and barley have also been affected by both leaf and stem rust. Present forecasts take account of losses in yields from these causes up to August 1, but no attempt has been made to assess possible damage subsequent to that date. Current production forecasts may, therefore, be revised significantly when the second forecast of production is released September 15.

Considering the grains separately, wheat production is forecast at 513 million bushels, 16 percent below the near-record crop of 614 million bushels produced last year. It is, however, 12 percent above the average of the past 10 years. The decline from the 1953 crop is due to both reduced acreage and smaller yields. The outturn in the Prairie Provinces is forecast at 487 million bushels. The largest single reduction is reported for Saskatchewan, with a 50 million reduction from the 1953 harvest forecast. A decrease of 41 million bushels is forecast for Alberta, while the reduction in Manitoba is placed at 6 million bushels.

Production of oats for grain is forecast at 381 million bushels, the smallest crop since 1949. A crop that size would be 26 million bushels less than last year's production. The decline is attributed to somewhat lower yields than in 1953. The reduced yields offset a slight increase in acreage. Current yield prospects indicate yields averaging 37.5 bushels per acre for the country, compared with an average of 41.4 bushels in 1953. Production of oats in the Prairie Provinces is placed at 257 million bushels with 124 million bushels in prospect for other Provinces. It is noted that a much smaller proportion of Canada's oats crop is grown in the Prairie Provinces than is the case with other principal grains.

The barley harvest is forecast at 222 million bushels, which is 15 percent less than the 1953 crop. It is, however, more than double the small prewar average (1935-39). An acreage reduction of 12 percent is primarily responsible for the reduction, though smaller yields also contributed to the decrease. Production in the Prairie Provinces is estimated at 213 million bushels, 96 percent of the total for the country.

Rye production is forecast at 16 million bushels compared with the near-record outturn of 29 million bushels last year. Sharply reduced acreage accounts for virtually all of the reduction. The current forecast includes 13 million bushels of winter rye and 3 million of spring rye.

Mixed grain production is placed at 65 million bushels compared with 62 million last year. Acreage increases account for the slight gain since yields average less than the high yields of 1953.

CANADA REPORTS
RECORD GRAIN STOCKS

Total carry-over stocks of Canadian grain in all North American positions as of July 31, 1954 were the largest of record, according to estimates released by the Dominion Bureau of Statistics. Current stocks of the 4 grains, wheat, oats, barley, and rye, on a tonnage basis, exceed the previous record on July 31, 1943 by about 6 percent. The principal factor in the increase over the previous record is the sharp rise in barley stocks, present stocks being more than double the 1943 stocks. That increase, together with a minor increase in rye stocks, provides for a net increase in total grain, offsetting some reduction in stocks of wheat and oats.

CANADA: Carry-over stocks of grain in all positions,
July 31, 1954, with comparisons^{1/}

Position	Wheat	Oats ^{2/}	Barley	Rye
On farms	1000 bushels	1000 bushels	1000 bushels	1000 bushels
Country elevators	205,860	97,250	96,810	12,860
Interior private and mill elevators	208,602	17,913	30,450	3,129
Interior terminal elevators	6,022	485	2,123	31
Pacific Coast terminals	15,795	10	191	3
Churchill elevator	7,065	259	731	-
Fort William - Port Arthur elevators	2,166	1	-	-
In transit - lake	52,313	1,826	6,789	1,400
In transit - rail	5,389	1,159	1,763	59
Eastern elevators	15,374	2,624	3,242	474
Eastern mills (mill bins only)	56,490	2,007	2,036	814
Western mills (mill bins only)	2,066	176	100	6
Total in Canada	238	80	43	15
In the United States	587,380	123,790	144,278	18,788
Total Canadian grain in Canada and the United States	107	-	-	-
Total Canadian grain:	587,487	123,790	144,278	18,788
July 31, 1953	369,185	144,409	111,667	16,191
July 31, 1944-1953	184,223	85,496	45,971	5,598

^{1/} Preliminary estimates for the current season, revised estimates for earlier years.

^{2/} In bushels of 34 pounds.

^{3/} Less than 500 bushels.

From reports of the Dominion Bureau of Statistics.

Total stocks of Canadian wheat in all North American positions on July 31 were estimated at 587.5 million bushels, second only to the 594.6 million on hand on that date of 1943. An estimated 205.9 million bushels of this year's total were held on farms. This is a record for farm stocks and is more than double the farm stocks of a year ago. Of the off-farm stocks, 208.6 million bushels were in country elevators. The next largest amounts are 66.5 million in eastern elevators and 52.3 in store at Fort William-Port Arthur elevators. Total rye stocks, estimated at 18.8 million bushels, set a record for the second successive year, exceeding last year's high of 16.4 million bushels by 2.6 million.

Carry-over stocks of oats, estimated at 123.8 million bushels were the third highest of record, being surpassed only in 1953 and 1943. Barley stocks, at 144.3 million bushels, set a record for the third consecutive year, exceeding the previous high in 1953 by about a third.

NEW DAIRY PRODUCTS PRICES FIXED BY SOUTH AFRICAN GOVERNMENT

The Division of Economics and Markets of the Union of South Africa has announced the prices of dairy products as fixed in Government Gazette Extraordinary No. 5047 for the July to October 1954 period.

The basic price of first grade butterfat for the July - October 1954 period is set at 43.8 cents per pound; there is an additional winter premium of 11.7 cents per pound. The basic price for the same period in 1953 was 46.1 cents per pound and the winter premium was 12.2 cents.

The basic price of milk for cheese was set at \$2.05 per cwt. as compared to \$2.11 for the same period in 1953. The winter premium was set at 40.8 cents per cwt., as against 45.5 cents the year previous. Milk for condensary and drying operations was given a price of \$2.66 per cwt.; the price a year ago was \$2.74 per cwt. No winter premium price was granted for condensery milk.

The reduction in the prices was necessitated, the Government announced, because of decrease in production costs of dairy products and the exceptionally large production during the 1953-54 season. The wholesale and retail prices of butter and cheese, however, were left unchanged. The wholesale ceiling price for choice salted table butter remained at 43.8 cents per pound while the retail maximum price stayed at 46.7 cents. First grade cheddar cheese could sell at 34.4 cents per pound wholesale and 38.5 cents per pound at retail.

Production of butter during the first half of 1954 amounted to 59 million pounds as compared with 52 million during the January - June 1953 period. Cheese production during the 6-month period totaled 21.5 million pounds, about 4 million pounds over the same period a year ago. During the 5 month period through May almost 21 million pounds of milk had been delivered to condenseries compared to 15 million pounds during January - May 1953.

WORLD BUTTER AND CHEESE PRICES

DAIRY PRODUCTS: Wholesale prices at specified markets August, 1954, with comparisons

(In U. S. Cents Per Pound)

Country, market and description	Butter				Cheese			
	Date 1954	Price earlier	Quotations		Date 1954	Price earlier	Quotations	
			Month	Year			Month	Year
United Kingdom (London)								
Group 1.....	Aug. 5:	49.1:	51.6:		Aug. 5:	22.6:	22.6:	
Group 2.....	Aug. 5:	47.8:	50.3:		Aug. 5:	20.1:	20.8:	
Group 3.....	Aug. 5:	47.2:	47.8:		Aug. 5:	17.6:	18.9:	
National butter.....	Aug. 7:	--	--	36.6:	--	--	--	--
Ration varieties.....	--	--	--	--	Aug. 7:	--	--	25.2
Australia (Sidney)								
Choicest butter.....	July 29:	41.9:	41.9:	41.9:	--	--	--	--
Choicest Cheddar.....	--	--	--	--	July 29:	25.7:	25.7:	25.7
Irish Republic (Dublin)								
Creamery butter (bulk).....	July 30:	55.0:	55.0:	55.4:	--	--	--	--
Cheese.....	--	--	--	--	July 30:	31.0:	31.0:	31.0
Denmark (Copenhagen).....	July 29:	42.1:	42.1:	42.1:	--	--	--	--
France (Paris)								
Charentes Creamery butter.....	July 29:	66.1:	67.4:	80.3:	--	--	--	--
Germany (Kemten)								
Markenbutter.....	July 28:	60.0:	59.5:	58.4:	--	--	--	--
United States								
92-score creamery (N.Y.).....	July 30:	57.8:	57.5:	65.6:	--	--	--	--
Cheddar (Wisconsin).....	--	--	--	--	July 30:	31.9:	30.2:	35.0
Netherlands (Leeuwarden)								
Creamery butter.....	July 31:	46.0:	46.0:	46.1:	--	--	--	--
Full cream Gouda.....	--	--	--	--	July 23:	22.2:	21.7:	22.8
Edam 40 percent.....	--	--	--	--	July 23:	19.8:	19.4:	20.4
Belgium (Hasselt)								
	July 29:	69.3:	72.7:	75.8:	--	--	--	--
Canada (Montreal)								
1st grade creamery.....	July 24:	59.0:	59.0:	59.6:	--	--	--	--
Ontario white.....	--	--	--	--	July 24:	30.5:	30.5:	27.9

Sources: Intelligence Bulletin, The Commonwealth Economic Committee; U. S. Consular Reports; and the Dairy Division, Agricultural Marketing Service, U. S. Department of Agriculture.

DUTCH SELL BUTTER
TO U.S.S.R.

The Soviet Union purchased during August, 1954 6.6 million pounds of cold storage butter from the Netherlands; the purchase was made under trade agreement terms. The price was reported to be 43.5 cents, f.o.b. the Netherlands.

SURPLUS SAID TO BE ENDED IN VENEZUELA

The fluid milk surplus which has been reported burdening Venezuelan market, particularly in the milkshed of the capital city, Caracas, is apparently no longer a problem, even though milk receipts in the Federal District are running 13 percent over last year. The announcement of the end of the surplus problem was made through the offices of Silsa, the Caracas milk pasteurizing and distributing plant owned and operated by the state-controlled Venezuelan Development Corporation. Silsa informed producers it would pay full price for all milk delivered to its plants in Caracas and Maracay. Under the pronouncement all delivery quotas heretofore enforced on producers are abolished. The prices paid will be 22.5 cents per liter at Caracas and 21.6 cents at the Maracay plant; this amounts to a price range of \$9.51 to \$9.91 per cwt. Under the quota system ex-quota milk was purchased at approximately \$4.00 per cwt. and did not receive the Government subsidy of 4.5 cents per liter.

Belief is that the ending of the surplus was due not so much to a sudden balancing of demand and supply conditions as to the entry of another pasteurized milk handler and distributor into the market. The new venture, under the management of an American who was a former employee of Silsa, is offering stock in the plant to milk users under what is termed a rather attractive prospectus.

WESTERN GERMANY CONTINUES PROGRESS IN BOVINE TUBERCULOSIS ERADICATION

The Ministry of Agriculture of Western Germany, under the new Minister, Heinrich Luebke, has been pressing with increasing vigor the eradication of bovine tuberculosis. More than one-third of the cattle population was tested during 1953; this is 10 times the 412 thousand tested in 1935.

On the basis of cattle tested, it is estimated that 34 percent of the cattle are positive reactors.

The estimated slaughter value of an infected cow is about \$167; the cost of replacement averages \$286. It is estimated the net replacement costs will amount to almost \$500 million. The costs of measures necessary to safeguard against reinfection of approved herds will total about \$190 million.

In the most optimistic view it will take a minimum of 15 years to complete the eradication.

The principal source of cattle replacement is domestic breeding. Imports of accredited cattle is running only about 3,000 head a year and is not expected to go above 6,000 head.

**URUGUAYAN EXPORTS OF WOOL DECLINE;
UNSOLED STOCK RELATIVELY LOW**

The declining offshore interest in Uruguayan wool, which began in June continued throughout July, according to Dale E. Farringer, Agricultural Attaché, American Embassy, Montevideo. The sales volume was so small that prices were not quoted at the local commodity exchange (Cimara Mercantil de Products del Paris). The decline in export activity was in part due to reduced quantities available for sale. For lots purchased prices were relatively unchanged from early June levels. Superfine crossbreds on the basis of 1.60 pesos to the dollar, sold for around 69 (Treasury basis) per pound, delivered to Montevideo warehouses, superior crossbreds, 68 cents; and lamb crossbreds 52 to 54 cents.

Uruguayan wool previously purchased continued to move in export channels during July. Exports during the month totaled 14,052 bales of greasy wool, 2,431 of tops, and 584 bales of washed and semi-washed wool. In total these shipments were equivalent to about 18 million pounds of raw wool.

During the period October 1, 1953 through July 24, 1954 a total of 124 million pounds of wool (valued at \$107.5 million) have been approved for export. Greasy wool accounted for about 86 million pounds (valued at \$65.4 million dollars); tops, 21 million (valued at \$26.3 million); and washed and semi-washed (slips) made up the remaining 17 million (valued at \$15.8 million).

The United Kingdom followed by the United States were leading destinations for greasy wool while the Netherlands held its lead as the principal imports of Uruguayan tops and Germany moved into first place as the leading importer of washed wool. Significant are the declarations to the Soviet Union which up to July 24 totalled about 2 million pounds of greasy wool. The first direct entry of Soviet buyers into the Uruguayan wool market occurred in May. During that month direct purchases by the Russians totaled about 1 million pounds while indirect purchases through British buyers totaled a little over 2 million.

Approximately 80 percent of the current clip plus carry-in stocks (estimated in aggregate at 217 million pounds) are believed to have been sold during the first 10 months of the 1953-54 season. This left about 42 million pounds of unsold wool on August 1, 1954. This estimate is based upon sworn declarations for export and probable consumption requirements retained for domestic use.

URUGUAYAN BEEF
TO GREECE

Over 3 million pounds of frozen beef is now being shipped to Greece from Uruguay according to special informational sources of the Foreign Agricultural Service. The Greek government has asked for offers for an additional 1.6 million pounds. Continental F Grade frozen beef has been bought under current purchase contracts for about 24 cents per pound f.o.b. one of the smaller packing plants in the country.

AUSTRALIA RESUMES CHILLED
BEEF EXPORTS TO U. K.

Limited exports of highly perishable chilled beef from Australia to the United Kingdom began recently after a lapse of 13 years, according to trade sources. Limited shipments from New Zealand and South America have also started. The outbreak of war in 1939 put an end to a developing trade in chilled beef between Australia and the United Kingdom. Since that time Australian exports have been in the form of frozen beef.

The maximum storage life of chilled beef is about 9 weeks and the beef must be consumed a few days after being landed from the ship. In contrast, frozen beef may be held in storage at 8 to 10 degrees Fahrenheit for at least a year.

Extreme care must be exercised in the preparation of chilled beef in the packing plants. After slaughter the carcasses are cooled for 48 to 72 hours. Then the sides are quartered and the briskets, plates and shanks are removed. The hind and forequarters "crops" are then held in storage rooms at approximately the freezing point of meat (30.5° F.) to await shipment. This storage period seldom is longer than 5 days. On board ship the chilled quarters are hung from rails in special gas-tight chambers and maintained at 29.5° F. in an atmosphere of 10 percent carbon dioxide. That storage treatment limits microbial growth during a 40 to 55 day journey to British ports. One ton of frozen beef quarters occupies only 85 to 90 cubic feet of cargo space, as the carcasses are stacked, but one ton of hanging chilled quarters occupies 110 to 120 cubic feet.

Up to 1934 all quarter beef exported from the Australian ports of Brisbane, Gladstone, Rockhampton, Bowen Townsville, and Wyndham was frozen. However during 1934-39 there was a rapid growth in shipments of chilled beef. In 1938 about one-third of the beef shipped was in this form.

Development of the chilled beef trade is limited by the quantity of high quality young beef available in Australia and by the departure schedule of ships. The maximum time that carcasses may be held at the packing plants is about a week, but for all ports, except possibly Brisbane, the frequency of ship departures is less than one vessel per week. Because of the shipping schedules much beef has to frozen which otherwise might be shipped in a chilled state. The additional cost of chilled beef shipments must also be covered by higher prices for the more desirable product in the British market.

DAIRY PRODUCTION DOWN IN NEW ZEALAND

Milk and dairy products production for the 1953-54 season ending June 30 is estimated by the New Zealand Government to be 7 percent below last season's record high. Production of butterfat will probably total 500 million pounds for the year, a decrease of 40 million pounds from 1952-53 output; the drop will show up primarily in the manufacture of butter, with a less marked drop in cheese output.

The decline in milk production was due to severe dry conditions during the summer. However, weather conditions in July were good and pastures are reported to be in good condition as a result of abundant winter rains.

NETHERLANDS DAIRY PRODUCTION UP IN FIRST HALF 1954

In the first 6 months of 1954 milk production in the Netherlands is 2 percent above 1953 production with deliveries to plants totaling 6.1 billion pounds for the period. Butter production at 100 million pounds for the 6 months' period is also 2 percent more than last year while cheese production is up 1 percent at 174.2 million pounds. Milk processing operations declined somewhat with condensed milk output at 266.7 million pounds about 3 percent under last year's levels and whole milk powder manufacture at 91 percent of the comparable months in 1953 at 25.6 million pounds. Nonfat dry milk solids production is up 20 percent at 54.5 million pounds; this is more than double the drying operations during the January to June period in 1952.

Sales of fluid milk to consumers amounted to 1.9 billion pounds during the first 6 months of the year, an increase of 1 percent over last year's sales.

The domestic market for butter and cheese is better than expected and prices have remained firm.

**NOVA SCOTIA SHIPS EGGS
TO VENEZUELA**

It has been reported that on August 3, 1954 for the first time, a shipment of Nova Scotia eggs, 200 cases, were loaded on a Norwegian freighter at Halifax bound for Venezuela. In the final analysis this trade represents very little competition to the United States exporters, as the ship used has only 10,000 cubic feet of refrigerated space used primarily for other items. Also, this is the only refrigerated ship which sails from Halifax to Latin America averaging only one trip every 5 or 6 weeks.

**SWEDEN SUPPLIES U.S.
DRIED WHOLE EGGS**

Sweden in 1953 supplied the United States with approximately 90 percent of its total imports of dried whole eggs. During the first 6 months of 1954 Sweden has supplied the United States with over 7,000 pounds compared to 7,000 pounds for all of 1953.

Sweden as a source of this item seems to be stable as its present poultry population of 11,158,000 is increasing with a larger percentage of pullets and chicks. This increase in total numbers suggests that egg production in the year of August 1954-July 1955 will be at least as large if not larger than the previous year.

**1953-54 CHILEAN DRIED
BEAN PRODUCTION**

The production of all dried beans in Chile is estimated to be 1,914,000 bags in 1953-54 compared to 1,793,000 bags in the 1952-53 season. In early August there was approximately 65,000 bags of old-crop beans and 135,000 bags of new-crop beans, making a total of 200,000 bags of beans available for export. Prior to 1951 Chile exported about 750,000 bags of beans, but exports in 1952 dropped to 360,000 bags and to only 72,000 bags in 1953. About 87,000 bags of the beans available for export are of the export varieties principally Arroz, Christales and Red Kidney and 113,000 are of the domestic varieties principally Burritos and Bayos. The Chilean exporters prefer to ship beans to the soft currency countries where the exchange rate is 145 to 160 pesos to the dollar compared to 110 pesos in the dollar areas.

**BAHAMAN OKRA
EXPORTS**

Okra exports from the Bahamas increased from 377,000 pounds in 1952 to 773,000 pounds in 1953. The okra is chopped, packed in brine, in fiber barrels lined with polyethylene which contain over 400 pounds of okra. The okra is shipped under refrigeration to Toronto, Canada and to a well-known soup company.

NEW CIGARETTE FACTORY IN GOLD COAST

A new cigarette factory began producing cigarettes at Takoradi, Gold Coast, in April 1954. In June, production reached 1 million cigarettes and it is expected that by October of this year monthly production will be around 2 million pieces. Only one brand of cigarettes is being made at present, and the leaf used is imported from neighboring Nigeria. A small quantity of locally-produced Gold Coast is also used. Plans are being made to manufacture another brand of cigarettes later this year.

The new company has established nurseries in the Gold Coast to stimulate tobacco production by African farmers. Seedling tobacco plants grown at the company nurseries are given free of charge to growers for transplanting. If local production develops as desired by the company, a redrying plant may be constructed to be ready for operation in about 3 years.

DENMARK ANNOUNCES 1954 PRODUCERS' PRICES FOR RAPESEED

The prices which Danish producers will receive for their 1954 crop of winter and summer rapeseed was announced recently following an agreement reached between the Oilseed Committee of the Association of the Danish Seed Dealers and representatives of the oil-processing industry, reports Sherwood O. Berg, Agricultural Attaché, American Embassy, Copenhagen. Representatives of the Association of Danish Seed Producers were also present at the negotiations.

Under the agreement, the crushing industry will pay the seed dealers 1.09 kroner per kilogram (7.18 cents per pound) for winter rapeseed and 0.99 kroner per kilogram (6.52 cents per pound) for summer rapeseed. The seed dealers will retain a flat 6 ore per kilogram (0.40 cents per pound), approximately $5\frac{1}{2}$ to 6 percent of the negotiated price, as their fees for handling. Thus, the net price to the producers will be 1.03 kroner (6.78 cents per pound) for winter rapeseed and 0.93 kroner per kilogram (6.13 cents per pound) for summer rapeseed.

The producers will be entitled to purchase rapeseed foddermeal at 0.45 kroner per kilogram (2.96 cents per pound) and rapeseed oilcakes at 0.55 kroner per kilogram (3.62 cents per pound).

In another phase of discussions, agreement was reached regarding the time within which this season's rapeseed is to be delivered to the processors. According to the agreement, deliveries to the processing plants are to be concluded by October 15. In turn, it was also stipulated that the seed producers are to receive the oilmeal or cakes 3 months after the delivery date of the seed to the processing plants.

In 1953 the production of both types of rapeseed amounted to 27,740 short tons from 38,950 acres. This output represented 80 percent of the total indigenous production of oilseeds. For this season, the Danish Statistical Department has estimated that 17,000 to 20,000 acres are under both winter and summer rape. This precipitous drop in the area under rape is due primarily to poor prices for oilseeds and the relative profitability of alternate crops and farm enterprises.

Because of the adverse weather conditions, the yield of rapeseed this season will be considerably below normal. In the official crop forecast of July 15, it was estimated that the yields will be about 74 percent of normal in Eastern Denmark and about 81 percent in Jutland. As most rape is produced on the islands of Funen, Zealand, and Lolland-Falster, the estimate for the country as a whole was a rapeseed crop 75 percent of normal.

SWEDEN'S RAPESEED CROP ESTIMATE UP

Production of rape and mustard seed in Sweden in 1954 is estimated at around 160,000 short tons, an increase of nearly 60 percent from the 1953 output, according to the American Embassy, Stockholm. This is significantly larger than the forecast of 137,000 tons reported in Foreign Crops and Markets of May 17, 1954, page 460. The greater production this year is due partly to a larger harvested acreage but also to a substantial increase in the per acre yield of rapeseed. Harvesting of oilseed crops has been under way for some time but, like the early grain crops, has been retarded by rainy weather.

Flaxseed production in 1954 is estimated around 126,000 bushels, a decline of 60 percent from the 1953 outturn, largely the result of a reduction in acreage.

PANAMA PROHIBITS IMPORTS OF VEGETABLE OILS FOR 60 DAYS

Panama's price control resolution No. 65, effective August 17, 1954, prohibits the importation of edible oils, except olive oil, for a period of 60 days, according to information available to the Foreign Agricultural Service. The order may be extended an additional period. A time limit of 15 days was granted to those affected by the resolution to receive or cancel current orders provided notice is given to price control authorities within 8 days of the effective date.

CORRECTION--In the article, "Philippine Copra Exports Up in July", in Foreign Crops and Markets, August 23, 1954, page 211, the second line of third paragraph should have read: "The January-July aggregate was 33,606 tons against 26,170 tons in 1953."

JAPAN MAINTAINS HIGH
LEVEL COTTON CONSUMPTION

Although Japan's imports of raw cotton during June 1954 dropped off somewhat from the two previous months, cotton consumption by the mills continued its accelerated pace of about 24 percent above last year, according to a report from R. B. Peters, and S. Kondo, American Consulate General, Kobe, Japan. Mill consumption for the 11-month period August-June 1953-54 amounted to 2,107,000 bales (500 pounds gross) as compared with 1,704,000 bales consumed during August-June 1952-53. An additional consumption of approximately 10,000 bales per month for nonspinning purposes would bring the total consumption for August-June 1953-54 to 2,217,000 bales.

June imports of 203,000 bales of cotton brought the total for the August-June period of the current year to 2,260,000 bales as compared with 1,855,000 bales imported in August-June 1952-53, an increase of 22 percent. The United States' share of Japan's 1953-54 imports increased to 37 percent of the total as compared with 30 percent for the previous year. Mexico, Pakistan, and Brazil, in the order named, are the other major sources this year for Japan's cotton. A shift since last year from India to Brazil as the fourth ranking source reflects the change in the export pricing policy of Brazil, and the export restrictions imposed by India.

JAPAN: Imports of cotton by major countries of origin;
average 1935-39; annual 1950-52;
August-June 1952-53 and 1953-54

(Equivalent bales of 500 pounds gross)

Country of origin	Year beginning August 1					
	Average		1950		1951	
	1935-39	1950	1951	1952	August-June 1952-53	1953-54
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bales	: bales	: bales	: bales	: bales	: bales
	:	:	:	:	:	:
Argentina.....	1/	59.4	2.9	46.1	24.5	82.5
Brazil.....	202.5	78.2	45.3	29.9	29.9	187.2
British East Africa..	66.1	9.7	22.5	29.6	28.6	19.0
Burma.....	1/	15.9	22.6	46.6	40.0	47.2
Egypt.....	139.7	59.2	42.4	84.6	78.6	90.0
India.....	1,250.5	38.2	47.0	171.8	158.8	68.4
Mexico.....	1/	234.7	147.6	503.2	492.6	458.7
Pakistan.....	2/	379.6	233.3	439.0	378.4	302.0
Paraguay.....	1/	15.6	0	11.1	10.9	1.7
Peru.....	1/	9.1	6.5	20.0	19.1	10.8
Sudan.....	1/	3.5	0.1	12.4	12.2	1.0
United States.....	1,126.6	992.2	1,063.8	625.1	554.1	831.0
Other countries....	2/ 391.2	3/ 56.9	6.7	35.8	27.5	4/ 163.6
Total.....	3,176.6	1,952.2	1,640.7	2,055.2	1,855.2	2,260.4

1/ If any, included in Other countries.

2/ China 232.1.

3/ Turkey 24.0, Nicaragua 7.0. 4/ Turkey 50.7, Iran 66.5.

Evidence of the textile industry's recent forecast of declining textile exports during the last half of 1954 is not yet apparent, as cotton yarn and fabric exports in July were even higher than in June. A postwar record of 11.9 million pounds of yarn and 628.6 million square yards of fabric were exported in January-June 1954, surpassing the previous record export period of January-June 1951.

The number of operable spindles for the 131 members of the All Japan Cotton Spinners' Association as of June 30, 1954, was 7,843,000 or 22,500 more than at the end of May. The number of spindles in actual operation in June was 7,543,000, a ratio to operable spindles of 96.2 percent. The weaving capacity for June was 273,000 looms in operation, a ratio of 81.6 percent to operable looms, as compared with 282,000 looms operating in May at a ratio of 84.1 percent.

Stocks of raw cotton on hand June 30, 1954, were 595,000 bales or about 10 percent above stocks held on June 30, 1953.

The announced approval of the United States Export-Import Bank of the Japanese request for a \$60 million cotton credit is expected to make this credit available for cotton procurement early in the season. The purchases of approximately 330,000 bales under the credit will be a part of the previously announced overall import program of 2.1 million bales from all sources during the present Japanese fiscal year, April 1954 through March 1955.

EGYPT ANNOUNCES INCREASED 1954 COTTON ACREAGE BY TYPES

The first estimate of 1954 cotton acreage in Egypt, by types, announced by the Ministry of Agriculture on August 2, 1954, repeats the earlier overall estimate of 1,639,000 acres as compared with 1,375,000 acres in 1953, according to A. Abdul Gawad, American Embassy, Cairo. (Reported in Foreign Crops and Markets, July 12, 1954).

The estimated acreage announced for the various types of cotton, as compared with the 1953 acreage is as follows:

Type	Estimated Cotton Acreage in Egypt	
	1954 (acres)	1953 (acres)
Karnak	580,000	494,000
Menoufi.....	37,000	17,000
Giza 30.....	460,000	379,000
Giza 31.....	1,000	5,000
Zagora.....	-	47,000
Ashmouni.....	560,000	433,000
Others.....	1,000	-
Total.....	1,639,000	1,375,000

Production from this acreage, based on 1953 average yields for the various types, would amount to approximately 1,758,000 bales (500 pounds gross), or 20 percent more than production of 1,461,000 bales in 1953.

Progress of the new crop is generally favorable, with good weather conditions, and adequate control of insect infestation. An early-August heat wave may advance the harvest season, and some small scale picking began in Upper Egypt about the middle of August.

Stocks of cotton on July 28, 1954, were reported by the Ministry of Finance at 505,000 bales, which is considerably below the 900,000 bales held on July 29, 1953. Increased demand for Egyptian cotton and a moderate increase in domestic consumption brought about this stock reduction. Increases in Egypt's cotton exports were reported in Foreign Crops and Markets, August 9, 1954, and no later data are available.

CONTINUED HIGH COTTON CONSUMPTION IN WESTERN GERMANY

Mill consumption of 103,000 bales of cotton (500 pounds gross) in Western Germany during May 1954 continued the high level of recent months exceeding consumption in May 1953 by 19 percent, according to Arthur D. Foley, American Vice Consul, Bremen, Germany. Consumption for the 10-month period August-May 1953-54 amounted to 1,020,000 bales or 16 percent above consumption of 883,000 bales in the corresponding period of 1952-53.

Cotton imports of 140,000 bales during May were about 5 percent below the previous month's high, but a seasonal drop to 84,000 bales in June was 43 percent below the April peak. Total imports for the August-June 1953-54 period were 1,196,000 bales, or 20 percent above imports of 995,000 bales during August-June of the previous year. Principal sources of the 1953-54 imports with comparable figures for 1952-53 in parentheses were: United States 349,000 bales (256,000); Brazil 203,000 (600); Egypt 122,000 (122,000); Mexico 87,000 (81,000); Turkey 66,000 (132,000); Nicaragua 52,000 (22,000); Peru 49,000 (25,000); Belgian Congo 40,000 (71,000); Syria 39,000 (36,000); Pakistan 34,000 (85,000); and Kenya-Uganda 33,000 (51,000).

Stocks of 304,000 bales at the end of May were the highest during the last 3 years, representing an approximate 3-month supply.

U.S. FOREIGN AGRICULTURAL TRADE IN JUNE, 1954

Export Highlights

Advance in United States farm exports continues in June. The increase in United States agricultural exports in the past few months over the corresponding months of the previous year continued into June; that month's value of \$267 million was 36 percent over the June 1953 value and 6 percent over the May 1954 value. Adding June's value to the other 11 months of fiscal year 1953-54 gives a total of \$2,932 million, an increase of 4 percent over the prior year's value of \$2,819 million.

Lower foreign stocks, higher competitive prices stimulate cotton exports. Cotton shipments to foreign countries again in June exceeded the level of a year earlier by a substantial margin; the 452 thousand bales in June 1954 contrasted with 232 thousand in June 1953, a rise of 95 percent. Cotton's large gain in the last half of 1953-54 was the primary factor in the increase for the year in total farm exports. Two main stimulants to the recent increase in cotton exports were liquidation of most competitive foreign cotton surpluses and a consequent rise in old-crop foreign cotton prices to approximately the level of United States cotton prices. Also, foreign importers were encouraged to buy somewhat more freely by the spread between quotations for near months' futures and those for distant months.

More export sales of vegetable fats and oils stand out in June. Farm exports this past June were strengthened by additional very large shipments of peanuts, cottonseed oil, and linseed oil and by the first substantial shipment of flaxseed. As in the past several months, these exports almost entirely reflected sales from CCC-held stocks. The 2.4-million-bushel shipment of flaxseed was the first of major significance in 1953-54 and compared with only 200 thousand bushels in 1952-53. The 89 million pounds of crude linseed oil exported in June 1954 brought the 12-month total to 300 million pounds which compared with only 1.3 million in 1952-53. Peanut exports this June of 6 million pounds compared with only 130 thousand pounds in the previous June. Correspondingly, cottonseed oil exports of 54 million pounds contrasted with only 2 million in June 1953.

Early promise of increased wheat exports fades in June. Wheat exports showed signs of a rising trend a couple of months ago, but the upturn failed to continue into June. Exports of 20 million bushels in that month fell below the 25 million recorded in May 1954; but they were slightly above June 1953 shipments of 18 million bushels. United States wheat's deteriorated position in world markets during the past two seasons stems from reduced world import needs in general and keen competition faced by United States exporters from other countries, particularly those outside the International Wheat Agreement. Wheat exports from the United States in 1953-54 dropped to 219 million bushels, 32 percent under 1952-53's 324 million bushels, which in turn was also 32 percent less than 1951-52's 480 million bushels.

Corn exports also drop further in June. After being relatively steady for a few months, exports of corn declined in June to 5 million bushels as compared with 7 million bushels in May 1954. Also, June's exports were well below the 12 million bushels shipped out in June 1953. Low levels of exports in recent months have been in sharp contrast with very high levels attained last fall when Europe bought much United States corn for feed.

June's rice exports are substantially under last year's high levels. Commercial rice shipments in June totaled 47 million pounds this year, substantially below the 64 million pounds exported in June a year earlier.

UNITED STATES: Summary of exports, domestic, of selected agricultural commodities and groups during June 1953 and 1954

Commodity exported	Unit	June			
		Quantity		Value	
		1953	1954	1953	1954
ANIMAL PRODUCTS:				1,000	1,000
		Thousands	Thousands	dollars	dollars
Cheese	Lb.	357	432	167	180
Milk, condensed	Lb.	539	22	141	6
Milk, evaporated	Lb.	14,848	14,773	2,300	2,137
Milk, whole, dried	Lb.	2,920	4,322	1,572	2,184
Nonfat dry milk solids	Lb.	5,270	31,787	533	3,431
Eggs, in the shell	Doz.	2,558	2,892	1,312	1,105
Beef and veal, total 1/	Lb.	2,848	1,088	695	301
Pork, total 1/	Lb.	6,768	4,016	1,611	1,298
Other meats 1/	Lb.	3,753	6,961	1,228	1,900
Lard	Lb.	28,908	33,365	3,442	6,469
Tallow, edible and inedible	Lb.	82,681	91,088	4,645	7,234
VEGETABLE PRODUCTS:				:	:
Cotton, unmfd., excl. linters (480 lb.)	Bale	232	452	41,216	83,114
Apples, fresh	Lb.	5,124	5,232	430	452
Grapefruit, fresh	Lb.	9,778	14,562	503	574
Oranges and tangerines	Lb.	107,878	67,607	4,015	4,008
Pears, fresh	Lb.	113	155	19	21
Prunes, dried	Lb.	3,642	1,071	596	217
Raisins and currants	Lb.	5,922	27,910	648	1,984
Fruits, canned	Lb.	8,987	25,552	1,461	3,591
Fruit juices	Gal.	3,009	2,255	2,615	2,341
Barley, grain (48 lb.)	Bu.	721	2,340	993	2,843
Barley, malt (34 lb.)	Bu.	297	363	743	852
Corn, grain (56 lb.)	Bu.	11,846	5,043	21,176	8,580
Grain sorghums (56 lb.)	Bu.	360	2,712	607	3,226
Rice, milled, excludes paddy	Ib.	62,457	44,988	7,138	4,016
Wheat, grain (60 lb.)	Bu.	13,371	16,752	28,840	31,641
Flour, wholly of U.S. wheat (100 lb.)	Bag	1,485	1,244	6,808	5,500
Flour, not wholly of U.S. wheat (100 lb.)	Bag	310	45	1,609	240
Hops	Lb.	421	747	256	491
Nuts and preparations	Lb.	526	7,928	209	1,318
Soybeans, except canned (60 lb.) ..	Bu.	1,826	993	5,436	3,829
Soybean oil, crude, refined, etc.	Lb.	3,940	1,167	557	184
Cottonseed oil, crude, refined, etc.	Lb.	1,950	53,739	289	6,651
Seeds, field and garden	Lb.	851	1,659	269	447
Tobacco, flue-cured	Lb.	24,922	17,911	15,368	11,852
Tobacco, leaf, other	Lb.	8,489	8,757	4,847	5,992
Beans, dried	Lb.	19,950	13,640	1,569	906
Peas, dried	Lb.	2,696	3,651	214	265
Potatoes, white	Lb.	52,432	42,994	930	1,172
Vegetables, fresh, other	Lb.	55,761	72,786	3,462	3,512
Vegetables, canned	Lb.	13,308	17,818	1,718	2,643
Food exported for relief, etc.				739	7,522
Other agricultural commodities				24,317	41,071
TOTAL AGRICULTURAL				197,243	267,300
TOTAL ALL COMMODITIES				1,375,161	1,462,429

1/ Product weight.

Compiled from official records, Bureau of the Census.

UNITED STATES: Summary of imports for consumption
of selected agricultural commodities and groups during June 1953 and 1954

Commodity imported	Unit	June				
		Quantity		Value		
		1953	1954	1953	1954	
SUPPLEMENTARY						
ANIMALS AND ANIMAL PRODUCTS:						
Cattle, dutiable	No. :	5	11	1,030	2,012	
Cattle, free (for breeding)	No. :	2	1	630	360	
Casein and lactarene	Lb. :	6,733	9,566	839	1,332	
Cheese	Lb. :	4,183	4,510	2,087	2,239	
Hides and skins	Lb. :	20,090	10,984	8,686	4,713	
Beef and veal, total 1/	Lb. :	10,872	12,140	3,544	3,732	
Pork, total 1/	Lb. :	13,518	14,466	9,550	11,105	
Wool, unmfd., excl. free, etc.	Lb. :	22,972	18,776	17,219	15,013	
VEGETABLE PRODUCTS:						
Cotton, unmfd., excl. linters (480 lb.)	Bale:	11	8	2,090	1,823	
Jute and jute butts, unmfd. (2,240 lb.)	Ton :	12	2	1,879	447	
Olives in brine	Gal. :	1,272	1,110	2,025	1,911	
Pineapples, canned, prep. or pres.	Lb. :	17,048	7,874	2,018	931	
Other fruits and preparations	2/	2/	2/	2,336	2,240	
Barley, grain (48 lb.)	Bu. :	1,565	2,955	2,302	3,643	
Oats, grain (32 lb.)	Bu. :	4,439	4,747	3,145	3,360	
Wheat and flour (grain equiv. 60 lb.)	Bu. :	1,962	1,364	4,105	2,856	
Feeds and fodders	2/	2/	2/	3,592	3,634	
Nuts and preparations	2/	2/	2/	4,305	3,879	
Castor beans	Lb. :	5,379	11,173	441	529	
Copra	Lb. :	50,486	67,207	4,798	4,710	
Oils, fats, waxes, veg. expressed ..	Lb. :	41,073	42,475	8,529	7,648	
Sugar, cane (2,000 lb.)	Ton :	431	430	49,070	47,699	
Molasses, unfit for human consumption	Gal. :	33,525	45,135	3,294	4,568	
Tobacco, cigarette leaf	Lb. :	6,596	6,877	4,462	4,664	
Tobacco, other leaf	Lb. :	1,517	1,223	2,235	1,979	
Seeds, field and garden	2/	2/	2/	603	881	
Potatoes, white	Lb. :	4,916	7,729	90	145	
Tomatoes, natural state	Lb. :	23	64	4	5	
Other supplementary	2/	2/	2/	15,133	15,061	
Total supplementary	2/	2/	2/	160,041	153,119	
COMPLEMENTARY						
Silk, raw	Lb. :	347	727	1,621	3,174	
Wool, unmfd., free in bond	Lb. :	9,999	13,133	4,972	6,947	
VEGETABLE PRODUCTS:						
Bananas	Bunch:	4,456	4,485	5,987	5,862	
Coffee (ex. into Puerto Rico)	Lb. :	168,494	165,621	88,264	127,444	
Cocoa or cacao beans	Lb. :	58,553	49,038	17,281	28,817	
Tea	Lb. :	9,215	9,828	4,181	5,489	
Spices (complementary)	Lb. :	4,537	6,215	3,655	3,078	
Sisal and henequen (2,240 lb.)	Ton :	11	13	2,747	2,459	
Rubber, crude	Lb. :	137,588	149,403	30,217	26,948	
Other complementary	2/	2/	2/	8,706	8,110	
Total complementary	2/	2/	2/	167,631	218,328	
TOTAL AGRICULTURAL COMMODITIES	2/	2/	2/	327,672	371,447	
TOTAL ALL COMMODITIES	2/	2/	2/	923,982	971,813	

1/ Product weight. 2/ Value only.

Compiled from official records, Bureau of the Census.

In addition, military exports to Korea in June 1953 raised the total amount of rice shipped to 123 million pounds. Big factor in the decline was the lack of any shipments to Korea. No shipments have been made to Korea since last August as the result of the cessation of hostilities there. June exports of rice to Cuba also were quite reduced. Japan, however, continued to take large quantities as she has done in the past year.

June's tobacco exports are seasonally low. Tobacco shipments continued at a low seasonal level--27 million pounds in June compared with 30 million pounds in May. Although this June's exports were also somewhat below June a year earlier when they totaled 33 million pounds, the total was 454 million pounds for the year 1953-54, exceeding 1952-53's 445 million pounds by about 2 percent.

Lard and tallow exports gain over a year earlier. Both lard and tallow exports in June 1954 registered gains over a year earlier, but only tallow exports exceeded shipments in May this year. The 33 million pounds of lard shipped in June 1954 was somewhat more than the 29 million pounds dispatched in June 1953 but well below the 51 million pounds exported in May of this year. Because of higher prices, this June's lard export value of \$6.5 million was nearly twice that of last June. Tallow exports in June recovered after dipping below a year earlier for 3 consecutive months; June's exports of 91 million pounds compared with those of 83 million of a year earlier and those of 73 million in May 1954. United States tallow has maintained a strong position in world markets as the "best buy" in soap fat.

Smaller summer California crop limits exports of oranges. Exports of fresh oranges in June declined to 68 million pounds from 114 million in May 1954 and 108 million in June 1953. Primary factor in the reduced exports was the smaller summer California crop. Until June, recent exports of United States oranges had been stimulated by increased demand for United States fruit in Europe arising out of the freeze in Spain.

Surplus sale to United Kingdom booms raisin exports in June. Raisin exports in both May and June in this year were considerably larger than they were a year earlier due to sales of surplus fruit by the Raisin Administrative Committee to the United Kingdom last November for future delivery and to handlers for resale in export channels. June's exports were 28 million pounds this year as compared with 6 million last year; May's exports were 27 million as compared with 4 million. For the year as a whole, however, only 119 million pounds were exported in 1953-54 as compared with 212 million pounds in 1952-53.

Import Highlights

June 1954 agricultural imports are 13 percent above May 1954 and June 1953. Agricultural imports increased in value to \$371 million in June 1954 from \$328 million in June 1953 and the \$327 million for May 1954. For all of 1953-54, however, agricultural imports were slightly smaller; they totaled \$4,174 million, a reduction of 3 percent from the \$4,303 million value in 1952-53.

Biggest factor in total gain is greater value of complementary imports, reflecting higher coffee prices. Complementary (noncompetitive) agricultural imports in June 1954 totaled \$218 million, an increase of 30 percent over the value of \$168 million in June 1953. Higher prices for coffee was the principal factor in the gain; quantity of coffee was slightly smaller. To a lesser extent, the June increase reflected larger imports of carpet wool, raw silk, and tea. Although imports of bananas, spices, sisal and henequen and crude rubber were also larger in quantity, lower average import prices caused their import values to decline from June 1953 levels. Imports of cacao beans were smaller but higher prices produced a substantial increase in the import value.

Downward trend in supplementary imports continues in June. The decline in supplementary (competitive) agricultural imports from \$160 million in June 1953 to \$153 million in June 1954 continued a downtrend that started in January this year. In June, there were notable decreases in imports of hides and skins, apparel wool, canned pineapples, jute, and wheat that were only partly offset by larger imports of cattle, casein, pork, and barley.

TRADE DEVELOPMENTS IN FOREIGN COUNTRIES

Economic Conditions in Panama Good During First Semester: Most of the usual business barometers from Panama indicated a continuance of satisfactory economic conditions during the first half of 1954. Weak spots are retail and wholesale trade in some lines and local unemployment in Colon. Of particular interest to agriculture was the announcement in June that salary increases would be granted to approximately 7,000 workers on banana plantations. This should permit the maintenance of banana exports at or above the level of last year. In addition to bananas, the outlook is favorable also for increased output of other agricultural products, with the trend toward self-sufficiency in food production being accelerated. Price controls continue. During the month of June maximum prices were set for beef tallow, hulled corn and certain corn products, and certain grades of meat.

Peruvian Imports Decline: The disturbing proportions reached by the trade deficits of Peru on 1953 subsided progressively during the first 6 months of 1954 without the need for resorting to drastic control measures. The excess of imports over exports by June 30 of this year had dropped to \$16,400,000 compared to a deficit of \$49,500,000 in the corresponding period of 1953. Imports in the first half of 1954 were valued at \$122,500,000 compared with \$148,400,000 in January-June of 1953, while exports advanced moderately to \$106,100,000 from \$98,900,000 in the same periods. Export tonnage increased over 100 percent this year due almost exclusively to shipments of low-unit-cost iron ore from the recently opened mine at Marcona.

Wheat is the principal United States agricultural product finding a market in Peru. Imports of United States wheat (including flour in terms of grain) during fiscal 1953-54 are estimated at only 760 thousand bushels. This is a sharp decline from the 4.4 million bushels imported from here in 1949-50 and the 2.8 million bushels imported in 1952-53.

Paraguay-Argentina Convention of Economic Union Implemented: The latest information on the implementation of the Paraguayan-Argentine Convention of Economic Union, concluded in August of 1953, concerns important agreements recently reached between the Argentine Government and the President of the Central Bank of Paraguay as follows:

1. Receipt by Paraguay of 60,000 metric tons of wheat at the same price charged Brazil;
2. Various modifications in prevailing exchange rates;
3. Technical assistance will be provided by Argentina for the purpose of dredging the ports on the Paraguay River to a depth that will enable large vessels to come and go;
4. Paraguay will receive larger credit facilities; and
5. Argentina will provide seeds and stud cattle to Paraguay.

The conclusion of the Economic Union between these countries was the most important single event taking place during 1953 affecting the foreign trade picture of Paraguay. There was no immediate expansion of trade between the countries, however, but by the end of the year it was beginning to progress rapidly.

Port Congestion in Brazil: Port congestion in Rio de Janeiro is causing inconvenience and added expense to shipping to that city. The United States, River Plate, Brazil Freight Conference has imposed a 25 percent surcharge on Rio freights because of the long delay in getting the ships unloaded. Increasing tonnage is being routed to the port of Santos, including a large wheat shipment, causing a tie-up there. If major improvement is not realized shortly, a surcharge for Santos is a possibility also. It is reported that there are sometimes as many as 28 ships awaiting berths in Santos, notwithstanding the fact that there is no labor "slowdown" there as is the case in the port of Rio.

Russian Wheat to Brazil: Brazil has received a shipment of 9,000 tons of Russian wheat at the port of Rio de Janeiro. This is reported to be part of a recent purchase of 70,000 tons, payable in Finnish clearing dollars.

Changes in Dutch Flour Mixture May Affect U.S. Wheat Exports: Under the existing Dutch regulations governing the composition of flour for bread the prescribed proportion of domestic wheat is 15 percent. This percentage will be increased to 35 as of September 1954. The increase, according to the Dutch grain trade, will force Dutch millers to make greater use of Manitoba wheat in preference to American hard winter. Therefore, future sales of U.S. wheat to the Netherlands may be affected. No changes in the import program for flour are expected.

India's Demand For Fertilizer Increasing: Because of the favorable results obtained from the use of fertilizers in India, demand has expanded rapidly and now substantially exceeds domestic production estimated at 450,000 long tons annually. Consequently, the Government is expected to establish an import quota of 100,000 tons of ammonium sulphate for importation during the latter half of 1954, and is also planning for a substantial increase in domestic production over the next few years.

Presently reported plans are for India's fertilizer production to be increased to 1 to 1.5 million tons by the end of the second 5 Year Plan beginning in 1956. Production at India's principal plant, Sindri, is to be expanded about 100,000 tons in terms of urea, ammonium nitrate and mixed fertilizers. Coke-oven gases will provide the basis for the Sindri expansion. An official committee is presently examining a proposal to increase the output of a plant at Alwaye, Travancore-Cochin from 50,000 to 100,000 tons. Also, the construction of two new plants are under consideration, one to be located at Nagal, Punjab and the other in western or southern India.

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